



State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF WATER RIGHTS

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August 21, 1998

Mr. George Douglass  
Deep Creek Mountains Ranch  
Callao Star Route, Box 380  
Wendover, UT 84083

Mr. Glen Allred  
Red Cedar Corporation  
Star Route 705  
Trout Creek, UT 84083

re: Regulation of Granite and Red Cedar Creek

Dear Mr. Douglass and Mr. Allred:

This letter is to confirm the decisions that were made during the discussions at our meeting on August 17, 1998, which was held at the Red Cedar Corporation regulating pond.

It was agreed that there was a need for a commissioner to oversee the distribution of water on Granite and Red Cedar Creeks. It was discussed and agreed that the commissioner would only be needed during the irrigation season and that he would only need to visit the diversions once a week or perhaps once every two weeks if adequate measuring devices can be installed which will show the flow and record an annual total of water diverted.

There was a discussion about who might be acceptable to both parties to be appointed as commissioner. It was agreed that Jim White, the Millard County deputy sheriff from Garrison, would be acceptable to both. Buck Douglass indicated he had spoken recently with Mr. White and he said he would be willing to be appointed. I said that I would contact Mr. White to discuss the position with him and confirm his availability to do the work.

Our regulation letter of August 7, 1998 stated that we assumed that Red Cedar Corporation had been delivered adequate water to fill its irrigation water right. At the meeting, Mr. Allred informed us that according to the records they had kept they had only diverted 1882 acre feet of water and still needed about 300 acre feet to fill their water right. Until about two weeks ago, there has been sufficient water in Granite Creek for both Douglasses and Red Cedar Corporation. Douglasses indicated they had diverted about 215 acre feet so far this year. Granite Creek is currently flowing about 1.6 cfs and Douglasses indicated they needed about 200 gpm to keep their sprinklers running.

After some discussion it was agreed that, for the remainder of this year, Granite Creek would be split one third to Douglasses and two thirds to Red Cedar Corporation. Both water users agreed

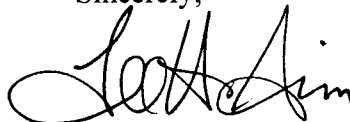
to meet at the Granite Creek diversion each morning at 8:00 a.m. for the remainder of the irrigation season to determine the flow of the creek and to divide it. **Based on this agreement, we hereby rescind the instructions given in the regulation letter of August 7th.** Also based on this agreement, it was decided that a commissioner would not be necessary for the remainder of this year but a commissioner would be appointed to regulate the distribution of water for the 1999 irrigation season.

The importance of accurate devices to measure flow and to record the total amount of water diverted at each diversion was stressed by all parties during the meeting. It was agreed that devices needed to be installed on the Douglass system to measure the combined diversions from Cottonwood Creek and Granite Creek and on the Red Cedar Corporation system to measure the inflow into their pond from the pipelines on Red Cedar Creek and on Granite Creek. Staff from the Division of Water Rights will meet with both parties to determine the best type of measuring equipment which should be installed to meet the needs expressed at the meeting. It was agreed that the measuring devices must be installed before the beginning of the 1999 irrigation season.

At the meeting it was also agreed that a distribution meeting would be held before the start of the 1999 irrigation season to confirm the appointment of a commissioner, to set a budget and assessments for the system operating expenses, and to check on progress in installing the measuring devices. A notice of the meeting will be sent out about two weeks before the meeting.

I hope this short description of the meeting agrees with your recollection of our discussion. If you have any questions or feel that the agreements are not accurately described, please contact me at (801)538-7380.

Sincerely,

A handwritten signature in black ink, appearing to read "Lee H. Sim". The signature is fluid and cursive, with the first name "Lee" being the most prominent.

Lee H. Sim, P.E.  
Assistant State Engineer  
for Adjudication and Distribution

cc: John Mann